

# Human Resources Department Guidelines

The Vice-President of Human Resources, along with the President, is responsible for maintaining company morale and helping the members work together as a team.

The specific duties of the Vice-President of Human Resources are as follows:

## **DEVELOP AND ADMINISTER A COMPENSATION PLAN**

The Vice-President of Human Resources develops the Compensation Plan of the company's Business Plan. A fair compensation plan can build company morale and loyalty. Generous wages, salaries, and commissions help encourage attendance, careful work, and high sales. On the other hand, when compensation is too high, the business's profitability may be in danger. The compensation plan is part of the company's Business Plan. The Vice-President of Human Resources presents the plan to the business's members for approval at the weekly meeting and is responsible for implementing the plan and monitoring progress. The Compensation Plan is written as part of the Business Plan.

Since productivity is often low as a venture begins operations, it is often a good idea to adopt the minimum wages and salaries allowed under the by-laws as starting rates. Compensation levels may be increased as productivity and profit increase. Wages that are too high will reduce profits, but wages that are too low may result in sloppy work and low morale.

### **Wages**

Wages are paid to staff that complete a definable piece of work in a certain amount of time. Examples include production workers, sales staff, and bookkeepers. The minimum starting wage is \$0.40 per hour. Wage earners are paid for all sessions after the business is formally organized (elections have been held). They are not paid for the final (liquidation) session. They should fill out a *Personal Timesheet* and have it signed by the Vice-President of Production each week, and then hand it in to the Human Resources department.

Period wages = \$0.40 per hour x # of hours per week x # of weeks in a period x # of workers

### **Salaries**

Salaries are paid to those whose outputs are not as definable or not as linked to production. They are paid a set amount that is not relative to the time worked. The President and the Vice-Presidents receive a flat salary in view of the extra time required outside the regular meetings. The minimum salaries under the by-laws are \$5.00 for the President and \$4 for Vice-Presidents for the life of the business. However, a weekly or period salary can also be determined.

### **Commissions**

Commissions are usually paid to sales staff to reward them for sales above a minimum amount. The by-laws require a 10 percent minimum commission rate. They should fill out a *Personal Sales Tracking Form* and have it signed by the Vice-President of Marketing and Sales each week, and then hand it in to the Human Resources department.

Period commissions = 10% of product sales in a period

## **Bonuses**

Bonuses can motivate salaried staff to meet their goals. For example, if the Vice-President of Production successfully produces the products or services, he/she might receive additional money. Year-end bonuses are not tax deductible in JA and must be paid from after-tax profit.

When to pay staff: There are two pay periods: halfway through the production process and at the end of the program.

Some questions to keep in mind:

1. Should experience influence wages? Is it fair to pay an experienced worker more than an inexperienced worker if they are equally productive?
2. Should everyone receive a starting wage?

## **MAINTAIN COMPANY MORALE**

Along with the President, the Vice-President of Human Resources is responsible for maintaining company morale. This may involve working with other managers to plan awards and recognition.

## **MAINTAIN VARIOUS RECORDS**

The Vice-President of Human Resources is responsible for maintaining accurate attendance and payroll records.

- Maintain an accurate and up-to-date list of the business's members, Consultants and Shareholders including names, addresses, phone numbers, etc.
- Record attendance at each meeting and contact absent company members. Your goal should be 100 percent attendance very week.
- Report attendance at Board of Directors/management team meetings.

Ensure accuracy of the payroll and assist the Vice-President of Finance in preparing paycheques.

## **SAFEGUARD COMPANY RECORDS**

The Vice-President is responsible for maintaining a file of important documents. This job may be delegated to the Corporate Secretary. The documents include but are not limited to:

- *Shareholder Information Cards*
- *Contact Information*
- *Attendance Record*
- *Certificate of Incorporation and By-laws*
- *Contracts, e.g., lease*
- *Commission Record*
- *Payroll Record*
- *Minutes of Board, management and company meetings.*

## **ISSUE JA MEMBERSHIP CARDS**

These cards are available from your local Junior Achievement Office to validate participation in the Junior Achievement Company Program when dealing with the public.

## **ENSURE PARLIAMENTARY PROCEDURES ARE FOLLOWED**

Although the President is responsible for conducting all meetings, the Vice-President of Human Resources or the Corporate Secretary acts as the Parliamentarian (i.e., ensures proper procedures are followed at meetings), and may be called upon to keep discussions orderly and to the point.

Following a few basic rules of parliamentary procedure can provide order to the discussion. The meeting should be conducted in a mature, business-like manner, and help all of the business's members understand their responsibilities as Board members. All the business's members should be aware of the basic rules therefore you will find more information about parliamentary procedures further in this workbook.

## **ACT AS LIAISON WITH THE SHAREHOLDERS**

This involves corresponding with the shareholders and answering their questions. The Vice-President must ensure that every company member is a shareholder.

## **ISSUE SHARES**

As soon as possible after being elected, the Vice-President of Human Resources is responsible for issuing shares and collecting receipts.

## **MEMBERSHIP RECOGNITION**

Each week the Human Resources Manager should recognize those members with 100% Attendance. Check with your local JA Office to see if these individuals will be eligible for recognition at year-end.

## **INDIVIDUAL AWARDS AND CONTESTS**

You are responsible for informing the company members of individual award and contest opportunities. Individual and company awards are offered in JA to provide standards for performance and recognition for outstanding achievement.

Contact the JA Office regarding the specific awards in your area. The Vice-President of Marketing and Sales and the Vice-President of Human Resources Manager are responsible for developing specific additional contests within the business.

The following awards are common to most JA areas:

- Membership pins
- 100% Attendance Award
- Sales Awards (\$100, \$200, \$300, etc.)

Your local JA Office will provide you with both the local and national awards programs.

## **RECORDS AND RECORD KEEPING RESPONSIBILITIES**

### **Application for Incorporation**

When incorporating a business, an application must be made to the Provincial or Federal Government. Upon approval, a *Certificate of Incorporation* is issued which permits the business to operate as a legal entity. In support of its application, a corporation must also submit a) its corporate by-laws; and, b) a register or list of the members of its Board of Directors.

After the government has approved the application, a *Certificate of Incorporation* (charter) is granted to the corporation. In granting this Certificate, the government sets certain minimum legal standards for reports on

the corporation's activity to both the corporation's shareholders and itself. The two basic standards thus established are:

- The completion and circulation of a Final Report complete with audited financial statements to each of the corporation's shareholders.
- The completion of an annual "Return of Information" to the government. In JA this return of information is called the Final Report. It is to be submitted to the JA Office at the last company meeting. It is the management's responsibility to prepare the report, and your responsibility to ensure that it is done and to provide assistance as needed.

### **By-laws**

Ensure that you maintain a copy of your company's approved *Application for Incorporation* (which will be returned to you with your company's *Certificate of Incorporation*) in your folder.

By-laws are the rules drafted by the incorporators to govern the business and its members. A signed copy of the By-laws must accompany your business's *Application for Incorporation* along with the *Register of Directors*.

Your business's by-laws should be reviewed periodically to ensure that company business and activities are adhering to them. If necessary, the by-laws can be amended.

Each time they are amended, an amended copy must be filed with the JA Office and in your business files. Check with the JA Office to ensure that any amendments being considered conform to corporate law and JA policy.

### **Recording the Minutes of Meetings**

Review the procedure for recording Minutes under Core Activity 8 in the Participant Workbook.

### **Contact Information**

This includes all pertinent information about the business's members and Consultants, including: name, address, telephone number, school and grade. This record will need to be updated if a member moves or changes their home telephone number.

### **Attendance Record**

The Vice-President of Human Resources can appoint an Attendance Specialist to take attendance at each session.

It is suggested that the *Attendance Record* be posted each week to keep members aware of the impact that their individual attendance has on the success of the JA Company.

### **Lease Agreement**

You should prepare your lease for facilities and equipment required and used, according to the instruction of your JA Office.

### **Shareholder Record**

When company members sell share certificates, they must turn over to you the money and the *Shareholder Information Card* that contains the name and address of the purchaser. Transfer the information of the *Shareholder Information Cards* to the *Shareholder Record*.

You will keep this list current, making any address changes that come to your attention. You will need this list to mail out the Final Report.

### **Shares Certificates Reconciliation**

It is important to account for every *Share Certificate* that has been issued to your JA Company. Treat the certificates as if they have a “cash value”.

### **Payroll Record**

This is generated based on the information in the *Attendance Record* and the commissions from the marketing sales information. Bonuses and/or deductions can be entered directly to the *Payroll Record*. When it is time to issue the payroll, give a copy of the *Payroll Record* to the Marketing and Sales Department to confirm the commissions. When the report is returned to you, give it to the Finance Department to issue the cheques.

### **Participant Termination Checklist and Exit Interview**

An interview must be completed for each participant who leaves the program. The reasons for termination may be useful for the business to take correctional action. Following the interview by the Vice-President of Human Resources, the *Participant Termination Checklist* and *Exit Interview* forms must be completed.

By following the checklist and conducting the interview, you can ensure that membership terminations are handled in a businesslike manner. You should begin to do this after week three.

### **The Final Report**

All corporations publish an annual report. For a JA Company it is named a Final Report. This report always includes a letter from the company President describing the business's experiences — both positive and negative and recognizing members who contributed to the business's success. Shareholders want to know why their investment “paid off” or why the business failed to make a profit. It is the Vice-President of Human Resources responsibility to make sure that the Final Report is done and quite often acts as the editor.

Some Junior Achievement Offices have Final Report Contests — check with your Consultant or your local JA Office.